



Federal Communications Commission
Washington, D.C. 20554

March 30, 2017

Via Electronic Mail

DA 17-296

Thomas Jones
Mia Guizzetti Hayes
Willkie Farr & Gallagher LLP
1875 K Street, N.W.
Washington, DC 20006
Counsel for Level 3 Communications, Inc.

Yaron Dori
Michael Beder
Brandon Johnson
Ani Gevorkian
Covington & Burling LLP
One City Center
850 Tenth Street, N.W.
Washington, DC 20001
Counsel for CenturyLink, Inc.

***Re: CenturyLink, Inc. and Level 3 Communications, Inc. Consolidated Applications for
Consent to the Transfer of Control of Licenses and Authorizations (WC Docket No. 16-403)***

Dear Counsel:

On December 12, 2016, CenturyLink, Inc. (CenturyLink) and Level 3 Communications, Inc. (Level 3) (each an Applicant) filed a series of applications seeking Commission approval to transfer control to CenturyLink of various licenses and authorizations held by operating subsidiaries of Level 3 (the Application).¹ To permit the Commission to review the Application and make the necessary public interest findings, we require additional information and clarification of certain matters discussed in the Application.

Accordingly, pursuant to Sections 214 and 308(b) of the Act, we request that you provide written responses and supporting documentation for each Information Request set forth in the attached Information and Document Requests² and, where appropriate, amend the Application to reflect such responses. In order to expedite consideration of your Application, please respond to the attached Information Requests by **April 13, 2017**.

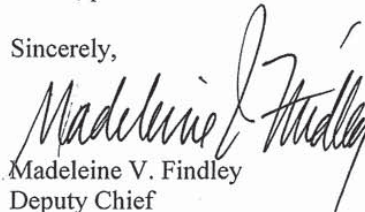
¹ See Consolidated Application to Transfer Control of Domestic and International Section 214 Authorizations, WC Docket No. 16-403 (filed Dec. 12, 2016); Letter from Thomas Jones, Counsel to Level 3, and Yaron Dori, Counsel to CenturyLink, to Marlene Dortch, Secretary, FCC, WC Docket No. 16-403 (filed Dec. 19, 2016) (Dec. 19, 2016 Supplement).

² See also the definitions and instructions for responding to the Information Requests, as set forth in the appendix to the attached requests.

Submit responses to these Information Requests in both paper and electronic form, unless only electronic form is specified. Submit responsive documents in electronic form only, unless otherwise specified. Your responses should be filed with Marlene H. Dortch, Secretary, Federal Communications Commission, under WC Docket No. 16-403. We also request that you provide Michael Ray, michael.ray@fcc.gov, with one copy of all paper and electronic materials filed in response to the Information Requests, except for any materials filed pursuant to the Protective Order issued in this proceeding.³

If you have any questions regarding this matter, please contact Michael Ray at (202) 418-0357.

Sincerely,



Madeleine V. Findley
Deputy Chief
Wireline Competition Bureau

Attachment

³ If you submit information pursuant to the Protective Order issued in this proceeding, then please follow the filing procedures specified therein. *CenturyLink, Inc. and Level 3 Communications, Inc. Consolidated Applications for Consent to Transfer Control of Domestic and International Authorizations Pursuant to Section 214 of the Communications Act of 1934, As Amended*, Protective Order, 32 FCC Rcd 519 (WCB 2017).

ATTACHMENT

INFORMATION AND DOCUMENT REQUESTS

1. For each of the following services -- business Internet Access service, BDS, lit fiber services, dark fiber services, long-haul fiber, and metro fiber:
 - a. Provide for each Applicant a description of the service, a description of each customer class and geographic areas for which sales reports are compiled for that service, the average price charged for each service, and total aggregate revenues for each service (broken down for each quarter beginning January 1, 2015 by the geographic areas and customer classes where the Applicants compete);
 - b. Describe, and provide documents sufficient to show, the extent to which the Applicants compete with each other in the provision of each service;
 - c. Describe and provide documents sufficient to show the extent to which the Transaction will affect the Applicants' plans and offerings for each service, both within and outside of CenturyLink's incumbent local exchange carrier (LEC) footprint, including any steps the combined company will take post-Transaction to change existing service offers and/or terms and conditions to business consumers both inside of and outside of CenturyLink's incumbent LEC footprint, including customers located on Tribal lands; and
 - d. Describe and provide documents sufficient to show the extent to which Level 3 has altered its pricing strategies for BDS services, lit fiber services, dark fiber services, long-haul fiber, and metro fiber since January 1, 2016.
2. Provide the competitive analysis identified on page B-18 of the Applicants' Public Interest Statement and on page 2 of the December 19, 2016 Supplement regarding the long-haul fiber and metro fiber markets served by the Applicants. Explain all assumptions used to produce the analysis and provide the underlying documents and spreadsheets used for this analysis.
3. Explain Applicants' competitive analysis identified on pages 3-9 of their February 7, 2017 Joint Reply Comments in this proceeding regarding the provision of BDS to locations capable of being served by the Applicants' fiber facilities both within CenturyLink's region and outside of CenturyLink's region (include any subsequent changes or amendments to the competitive analysis resulting from Applicants' "continuing to investigate and refine their building assessment" as noted on page 7 and a description of the procedures used in any such further investigation and refinement). The explanation should include: all assumptions used to produce the analysis, including whether the definition of BDS included or excluded certain technologies and whether the definition of BDS required or considered the option of service level agreements; Applicants' definition of an overlap building (including whether the overlap determination was based on address match or distance proximity); and the underlying data and documents used for the competitive analysis, sufficient to enable the Commission to replicate the Applicants' competitive analysis. Rather than providing the underlying data for Applicants' competitive analysis, Applicants instead can provide the data requested in Templates A, B, C, and D attached hereto.

4. Applicants state that they currently “compete against some of the largest Tier 1 backbone providers in the provision of transit services” and that “the combination of CenturyLink and Level 3 will have little impact on the overall level of competition for IP transit services.” (Public Interest Statement at B-16 and B-17). Describe, and provide and identify supporting documents showing, each Applicant’s position, rank, and competitive strategy in the North American Transit Services market, and how each Applicant compares to competing Transit Service providers in this market. For each Applicant, submit documents created after January 1, 2015 sufficient to show each Applicant’s plans relating to Transit Services, including all documents discussing how Level 3’s Transit Service business will be merged into CenturyLink’s Transit Service business.
5. Provide a detailed explanation with supporting documentation and documents sufficient to show the basis for, and derivation of, Applicants’ claimed public interest benefits, efficiencies, and synergies resulting from the proposed Transaction (as set forth in pages B-4 through B-14 of the Public Interest Statement), and for each provide:
 - a. A description and the underlying assumptions of the steps Applicants will take to achieve the claimed cost savings, efficiencies, synergies, and other benefits; the costs Applicants will incur to achieve these effects; the risks Applicants face in realizing these effects; the breakdown between savings in fixed costs and marginal costs; and the time required to achieve these effects (including whether they are primarily short-term or long-term); and
 - b. Applicants’ plans to pass through any cost savings from the Transaction to consumers and the extent to which Applicants have passed through past cost savings to consumers from prior transactions (including the magnitude and time horizon for these pass-through cost savings to consumers).

APPENDIX TO ATTACHMENT

DEFINITIONS AND INSTRUCTIONS FOR INFORMATION AND DOCUMENT REQUESTS

I. Definitions

1. The term “Level 3” means Level 3 Communications, Inc. and its subsidiaries.
2. The term “CenturyLink” means CenturyLink, Inc. and its subsidiaries.
3. The term “Applicant” or “Applicants” means each of Level 3 and CenturyLink and, to the extent applicable, Level 3 and CenturyLink jointly.
4. “Business Data Services” or “BDS” refers to the dedicated point-to-point transmission of data at certain guaranteed speeds and service levels using high-capacity connections.
5. The term “Internet Access Service” means the provision of Internet connectivity by any means, including, for instance, hybrid fiber-coaxial, optical fiber or xDSL.
6. The term “Transaction” means the proposed transaction contemplated by the Application that, if completed, would result, *inter alia*, in CenturyLink acquiring control of the domestic and international section 214 authorizations of Level 3 and its subsidiaries.
7. The term “Transit Service” means a service arrangement where a customer pays a transit provider to send and receive Internet traffic to and from destinations that can be either on or off the provider’s network.

II. General Instructions

1. Unless otherwise specified, each Information Request that calls for documents requires each Applicant to submit all responsive documents that were created or received by each Applicant on or after January 1, 2015.
2. Where a narrative response is required, identify each document relied upon to support the Applicants’ response in the narrative response.
3. Documents submitted in response to these Information Requests that were or will be submitted both to the Commission and the U.S. Department of Justice (DOJ) must have the same document control numbers and the same metadata, if any, as when originally submitted. Other documents submitted in response to these Information Requests (and that will not also be submitted to the DOJ) must be uniquely and sequentially numbered across the entire production. Each number shall be of a consistent length, include leading zeros in the number, and unique for each produced page. Numbers should contain no more than three segments connected by a hyphen. The leading segment must be the company identifier, a middle segment identifying the custodian, and a sequential page counter with connecting hyphens (*e.g.*, ABCCO-CEO-00000001).
4. Each responsive document shall be submitted in its entirety, even if only a portion of that document is responsive to an Information Request made herein. All written materials necessary to understand any document responsive to these Information Requests also shall be submitted.

5. Documents submitted in PDF format should be optical character recognition (OCR) searchable whenever possible.
6. Data provided in response to these Information Requests should be submitted in a machine readable format (e.g., .csv file) and include a list of all variable names, variable characteristics, and assumptions on which the data are based.
7. For each document submitted, indicate, by number and subsection, the specific request(s) to which it is responsive. If any document is not dated, then if known, state the date on which it was prepared. If any document does not identify its author(s) or recipient(s), then provide, if known, the name(s) of the author(s) or recipient(s). The Applicant must identify with reasonable specificity all documents provided in response to these Information Requests. Where more than one identical copy of a requested document exists, the Applicant may submit only one representative copy.
8. The specific Information Requests made herein are continuing in nature. The Applicants are required to produce in the future any and all documents and information that are responsive to the Information Requests made herein, but not initially produced. In this regard, the Applicants must supplement their responses (a) if the Applicants learn that, in some material respect, the documents and information initially disclosed were incomplete or incorrect, or (b) if additional responsive documents or information are acquired by or become known to the Applicants after the initial production.
9. Any documents that are withheld in whole or in part from production based on a claim of privilege shall be assigned document control numbers (with unique consecutive numbers for each page of each document). For any page of any document that the Applicants have designated to be withheld as entirely privileged, they shall submit a substitute placeholder page that lists only the Document ID of the page that was withheld in its entirety as privileged and a statement indicating that the page has been withheld in its entirety as privileged. For any document withheld as entirely privileged, it is sufficient to supply one substitute placeholder page for that document, so long as the range of Document IDs for the entire document is listed on the placeholder page and each Document ID for each page of the document is reflected in metadata. The placeholder pages must be imaged as any other paper record, as described above.
10. For each document identified on the privilege log of each Applicant:
 - a. Provide the document control number(s);
 - b. Identify all authors of the document;
 - c. Identify all addressees of the document;
 - d. Identify all recipients of the document or of any copies of the document, to the extent not included among the document's addressees;
 - e. Provide the date of the document;
 - f. Provide a description of the subject matter of the document;
 - g. State the nature or type of the privilege that the Applicant is asserting for the document (e.g., "attorney-client privilege");
 - h. Provide the number(s) of the Information Request(s) to which the document is responsive;
 - i. Provide the document control number(s) of any attachments to the document, regardless of whether any privilege is being asserted for such attachment(s); and

- j. State whether the document has been produced in redacted form and include the range of Document ID labels for those produced documents.
11. The Applicants' privilege logs also shall conform with all of the following requirements:
- a. Provide a separate legend identifying each author, addressee, and recipient identified on each Applicants' privilege log;
 - b. Identify on the privilege log, and denote with an asterisk, all attorneys acting in a legal capacity with respect to the withheld document or communication;
 - c. The description of the subject matter of each document shall describe the nature of the document in a manner that, though not revealing information that is itself privileged, provides sufficiently detailed information to enable the Commission to assess the applicability of the privilege claimed;
 - d. For each document withheld under a claim that it constitutes or contains attorney work product, also state whether the Applicant asserts that the document was prepared in anticipation of litigation or for trial and, if so, specify the anticipated litigation or trial upon which the assertion is based;
 - e. Produce all non-privileged portions of any responsive document (including non-privileged or redactable attachments) for which a claim of privilege is asserted, except where the only non-privileged information in the document has already been produced, and note where any redactions in the document have been made;
 - f. The privilege log shall be produced in both hardcopy and electronic form, the electronic form of which shall be both searchable and sortable; and
 - g. Documents sent solely between counsel, including in-house counsel acting solely in a legal capacity, and documents authored by the Applicant's outside counsel that were not directly or indirectly furnished to any third party, such as internal law firm memoranda, may be omitted from the privilege log. However, any attachments to such documents must be included on the privilege log (if a privilege is applicable to such materials), unless such attachments are addressed and sent solely to counsel.

A_Overlap_BLDGS_IN_Region

| Row | CenturyLink Building (Address should be in standardized format) | | | | | | | | |
|---------|---|-------------------|----------------|-------|----------------------------------|----------------------------------|------------------------|-------------------------|--|
| | Overlap Building Location ID - CenturyLink and Level 3 Locations With the Same Building Address or Within 50 Meters of Each Other | Street Address | City | State | 5 Digit Zip Code (Text) | 4 Digit Zip Code (Text) | Latitude (6 digits) | Longitude (6 digits) | Overlap Building Locations Addresses Match (1=yes, 0=No) |
| Example | 1 | 299 South Main St | Salt Lake City | UT | 84111 | | 40.763441 | -111.890599 | 1 |

A_Overlap_BLDGS_IN_Region

| Distance Between CenturyLink and Level 3 Locations if Locations are not an Address Match (meters) | CenturyLink has Lit Fiber at the Location (Yes=1, No=0) | CenturyLink has Dark Fiber at the Location (Yes=1, No=0) | Level 3 has Lit Fiber at the Location (Yes=1, No=0) | Level 3 has Dark Fiber at the Location (Yes=1, No=0) | Source | Notes |
|---|---|--|---|--|--------|-------|
| 0 | | | | | | |

B_Competitors_In_Template_A_BLD

| Overlap Building with Facilities-Based Competitor(s) in the Overlap Building or Within 50 Meters of the Overlap Building | | Address of Competitor In "Overlap" Building, (Competitor location has the same address as Overlap Building or should be in standardized format) | | | | |
|--|---|--|--------------------------------------|----------------------------|-----------------------------|---|
| Row | Overlap Building Location ID Reported in Template A | Name of Facilities-Based Competitor In Overlap Building (Overlap Buildings with Competitor in the Building or in a Location Within 50 Meters of the Overlap Building) (Name Each Competitor in the Building) | Street Address (NA if address match) | City (NA if address match) | State (NA if address match) | 5 Digit Zip Code (Text, 99999 if address match) 4 Digit Zip Code (text, 9999 if address match) |
| Example | 1 | MegaPath | NA | NA | NA | 99999 9999 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

B_Competitors_In_Template_A_BLD

| r is Within 50 meters of the Overlap Building (Address | | Facilities-based Fiber Competitor Capabilities | | HFC Competitor | Data source | Notes |
|---|---|--|---|--|--------------|-------|
| Overlap Building Locations' Addresses Match (1=yes, 0=No) | Distance Between Overlap Building Location and the Competitor Location (meters) | Competitor has Lit Fiber at the Location (Yes=1, No=0) | Competitor has Dark Fiber at the Location (Yes=1, No=0) | HFC Competitor in the Building or in A Building Within 50 Meters of the Overlap Building | | |
| 1 | 0 | 1 | 1 | | megapath.com | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

C_Near_Entrants_to_Template_A

| Overlap Buildings For Which No Facilities-based Fiber Competitor is Identified | | Overlap Buildings For Which No Facilities-based Fiber Competitor is Identified | | | |
|--|---|--|--|--|---|
| Row | Overlap Building Location ID Reported in Template A and for Which no Data is Reported in Template B (Overlap Building is a 2 to 1 Building) | Total Demand (Mbps) in the Overlap Building Location ID | CenturyLink Sold Capacity (Mbps) at Overlap Building Location ID | Level 3 Sold Capacity (Mbps) at Overlap Building Location ID | Name of Facilities-Based Competitors Closest to Overlap Building (Name at least 2 of the Closest Competitors) |
| Example | 1 | 10000 | 1000 | 1000 | AT&T |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

C_Near_Entrants_to_Template_A

| Address of closest competitors to Overlap Building (Address should be in standardized format) | | | | | | | | Competitor |
|---|----------------|-------|-------------------------|-------------------------|---------------------|----------------------|---|--|
| Street Address | City | State | 5 Digit Zip Code (Text) | 4 Digit Zip Code (Text) | Latitude (6 digits) | Longitude (6 digits) | Distance Between Overlap Building Location and the Competitor Location (meters) | Competitor has Fiber at the Location (Yes=1, No=0) |
| 220 South State St | Salt Lake City | UT | 84111 | | 40.764457 | -111.8883 | 225 | 1 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

| Facilities | | |
|--|----------------|-------|
| Competitor has HFC at the Location (Yes=1, No=0) | Data Source | Notes |
| | 0 megapath.com | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

D_Out_of_Region_Comp_Analysis

| Row | City | State | Number of Overlap Buildings Out-of-Region Where CenturyLink and Level 3 Locations Have the Same Building Address or are Within 50 Meters of Each Other | Only Include Facilities-based Fiber Competitors Number of Overlap Buildings where CenturyLink and Level 3 are the Only Facilities-Based Fiber Providers in the Overlap Building | Number of Overlap Buildings where CenturyLink, Level 3 and At Least One Other Facilities-Based Fiber Provider is in the Overlap Building |
|-----|------|-------|--|--|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| Number of Overlap Buildings where CenturyLink and Level 3 are the only facilities-based fiber providers in the Building and there is a HFC Provider in the Overlap Building | Sources | Notes |
|---|---------|-------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |